

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6002**

**BILL NUMBER:** HB 1275

**NOTE PREPARED:** Oct 27, 2009

**BILL AMENDED:**

**SUBJECT:** Indiana Utility Regulatory Commission Fining Authority.

**FIRST AUTHOR:** Rep. Moses

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows the Indiana Utility Regulatory Commission (IURC) to impose a civil penalty of up to \$5,000 if a public utility providing energy services violates or fails to comply with any: (1) utility law; or (2) rate or service requirement imposed by the IURC. It allows the IURC to impose an additional penalty of up to \$10,000 if the violation or failure to comply demonstrates a willful disregard by the public utility of the public utility's duty to remedy the violation or a willful failure to comply.

The bill specifies that a suit to recover or collect a forfeiture or penalty imposed by the IURC shall be brought by the IURC or, at the IURC's option, by the Attorney General. It also provides that if the IURC acts independently of the Attorney General to recover or collect a forfeiture or penalty, the IURC may, subject to the approval of the Governor and the Budget Agency, contract with outside counsel to prosecute, or assist the IURC in prosecuting, the suit.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** *IURC:* This bill could increase the administrative expenditures of the IURC. The bill provides that the IURC may contract with outside counsel to prosecute or assist the IURC in prosecuting a suit to recover or collect a penalty subject to approval from the Governor and the State Budget Agency. Any increase in expenditures could be offset to the extent that the IURC is able to collect penalties for noncompliance with the provisions of the bill.

**Explanation of State Revenues:** *Court Fee Revenue:* This bill provides that instead of committing a Class B infraction for violating the general utility chapter of the code, a public utility would be subject to a civil penalty. The IURC may impose a civil penalty up to \$5,000 on a public utility for failing to comply with

standards of service established by the IURC or rate or service requirements imposed by the IURC. In addition, the IURC may impose another civil penalty of not more than \$10,000 if the failure to comply demonstrates a continuing pattern of misconduct. Any money recovered from these penalties must be paid into the state General Fund.

If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:** IURC.

**Local Agencies Affected:** Trial courts, city and town courts

**Information Sources:**

**Fiscal Analyst:** Diana Agidi, 232-9867.